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# AGBIZ PROGRAM

## PERFORMANCE MONITORING PLAN

OCTOBER 2012

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### **DISCLAIMER**

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.



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# ACRONYMS AND ABBREVIATIONS

ADS	Automated Directive System
B2B	Business to Business
BSP	Business Services Provider
CoP	Chief of Party
COR	Contracting's Officer Representative
CY	Calendar Year
DCoP	Deputy Chief of Party
DO	Development Objective
FACTS	Foreign Assistance Coordination and Tracking System
FF&V	Fresh Fruits and Vegetables
FY	Fiscal Year
HR	Human Resources
IR	Intermediate Result
ISC	Integrated Supply Chain
LA	Lead Actor
LF	Lead Facilitator
M&E	Monitoring and Evaluation
MKD	Macedonian denars
MT	Metric Tons
PIRS	Performance Indicator Reference Sheet
PMP	Performance Monitoring Plan
PSDS	Private Sector Development Specialist
PV	Processed Vegetables
RF	Result Framework
SME	Small and Medium Enterprises
TtARD	Tetra Tech ARD
USG	United States Government
USAID	United States Agency for International Development
VC	Value Chain





# DEFINITIONS

Each of the following sections defines key terms used in this plan.

*Activity* – An event or action designed to help achieve one or more AgBiz Extension objectives. A value chain competitiveness enhancement event that is designed for multiple customers in one or more value chains, and includes trade fairs, study tours, human capacity enhancement/training, value chain profiles, assessments, policy reform evaluations, and business to business (B2B) meetings. AgBiz usually supports activities by direct payments to service providers.

*AgBiz Extension* – The two-year, \$2.35 million extension of United States Agency for International Development (USAID)/Macedonia's AgBiz Program.

*Business Services Provider (BSP)* – An entity that provides business-related services to agribusinesses, most often a private sector firm such as a consulting company or an individual consultant. In some cases, public sector entities can be BSPs if the services they provide are for commercial business development purposes.

*Fresh Fruits and Vegetables (FF&V)* – One of the two value chains to be supported by AgBiz.

*Integrated Supply Chain (ISC)* – A sustainably linked, market-focused, and effectively integrated set of participants who provide inputs or services to a single final seller (or coordinated group of final sellers) who work together to enhance the competitiveness of the end products sold by the last links in the supply chain. A supply chain is composed of participants of an ongoing set of vertical linkages that is much smaller and has fewer participants than a value chain.

*Lead Actor (LA)* – A private sector legal entity that plays a major role in the implementation of an integrated supply chain competitiveness enhancement plan (i.e., set of AgBizE-supported activities). LAs are often consolidators, packers, or processors, but can also be input suppliers, financial entities, or occasionally a trade association.

*Lead Facilitator (LF)* – A firm (most often a BSP) that takes majority responsibility for the planning and implementation of a significant part of an AgBizE component. An LF will be a subproject manager and will need to comply with all relevant USG, USAID, and Tetra Tech ARD regulations.

*Package* – A set of activities designed by an LF, with input from key LAs, to enhance the competitiveness of a specific value chain.

*Processed Vegetables (PV)* – One of the two value chains to be supported by AgBiz.

*Value Chain (VC)* – The firms and individuals participating in related value-adding activities that convert inputs and services supply into outputs for a given set of commodities and products. Most USAID-related value chain development work stops at the importer or wholesale buyer, but includes inputs and services suppliers.



# I.0 INTRODUCTION AND AGBIZ PROGRAM OVERVIEW

This Performance Monitoring Plan (PMP) is for the USAID/Macedonia AgBiz Program RAISE PLUS EDH-I-00-05-00006-00 TO 3 being implemented by Tetra Tech ARD (TtARD). It covers the period June 2011 through June 2013.

This document is an adaption of the previously approved PMP in January 2012, resulting from extending the contracts with Lead Facilitators and using their newly proposed activities and projected indicators. Changes will take effect from October 2012 through June 18, 2013 assuming USAID approval.

The PMP is a critical tool for planning, managing, and documenting progress towards achieving the goals of the AgBiz Program. It is essential to AgBiz' performance-based management approach, as the data collected and reported for each indicator provides USAID/Macedonia with detailed information regarding program impacts by describing progress achieved according to the proposed indicators. It also contributes to the effectiveness of the Monitoring and Evaluation (M&E) system by assuring that comparable and quality performance data are collected. This PMP explains how this will be accomplished in the context of both USAID's and AgBiz' Results Framework (RF).

Furthermore, the AgBiz PMP provides the data required to inform management decisions, improve operations, identify performance gaps, reassess performance targets, and set goals for improvement. Finally, it should be noted that this PMP is a dynamic document and therefore it is expected that in collaboration with the USAID Contracting's Officer Representative (COR) it will be updated periodically to reflect changing conditions which affect program activities as well as any gaps that are identified during the course of implementation.

## I.1 AGBIZ PROGRAM EXTENSION BACKGROUND

During May 2011, due to highly satisfactory implementation and the outstanding results achieved in the last four years, USAID awarded TtARD a two years AgBiz Extension. The primary objective of the AgBiz Two-Year Cost Extension is to increase incomes for targeted participants in the Processed Vegetables (PV) and Fresh Fruits and Vegetables (FF&V) Value Chains (VC) in Macedonia by increasing sales (domestic and exports), improving productivity, enhancing the agricultural business environment, and increasing access to finance. AgBiz Extension will "build off of the existing capacity and expertise of Macedonian professionals, lead firms, and farms to create a new understanding in the market for embedded services and fee-based service delivery. The provision of the services will be delivered sustainably by local partners well beyond the anticipated graduation of the USAID Macedonia program."

The AgBiz Extension differs from AgBiz in three key areas:

- a. Focus is on only two value chains - Fresh Fruits and Vegetables and Processed Vegetables;
- b. Emphasis are on the lower levels of the value chains, with a view to increase product quality and quantity to meet demand, and to raise the critical mass of stakeholders in the targeted value chains; and
- c. The Program is meant to significantly increase the use of local service providers and the development and provision of sustainable packages of services.

These changes will result in more emphasis on productivity, increased incomes, and sustainable linkages between Business Services Providers (BSPs) and stakeholders in the two value chains. AgBiz is focusing on facilitating linkages between value chain stakeholders and BSPs, resulting in more sustainable business relationships. AgBiz staff will provide minimal direct technical assistance and will refrain from becoming a stakeholder in either of the targeted value chains. AgBiz will work through Lead Facilitators (LF) to promote the development and implementation of a comprehensive package of services to upgrade the

value chains. As a result, value chain upgrading services will be provided primarily by BSPs, and AgBiz will cost-share these activities, resulting in more leverage and sustainable business relationships.

## I.2 AGBIZ PERFORMANCE MONITORING PLAN AND RESULTS FRAMEWORK

The PMP for AgBiz Extension is based on the existing and successful M&E system already in place, adapted to meet the overall principles for the extension period.

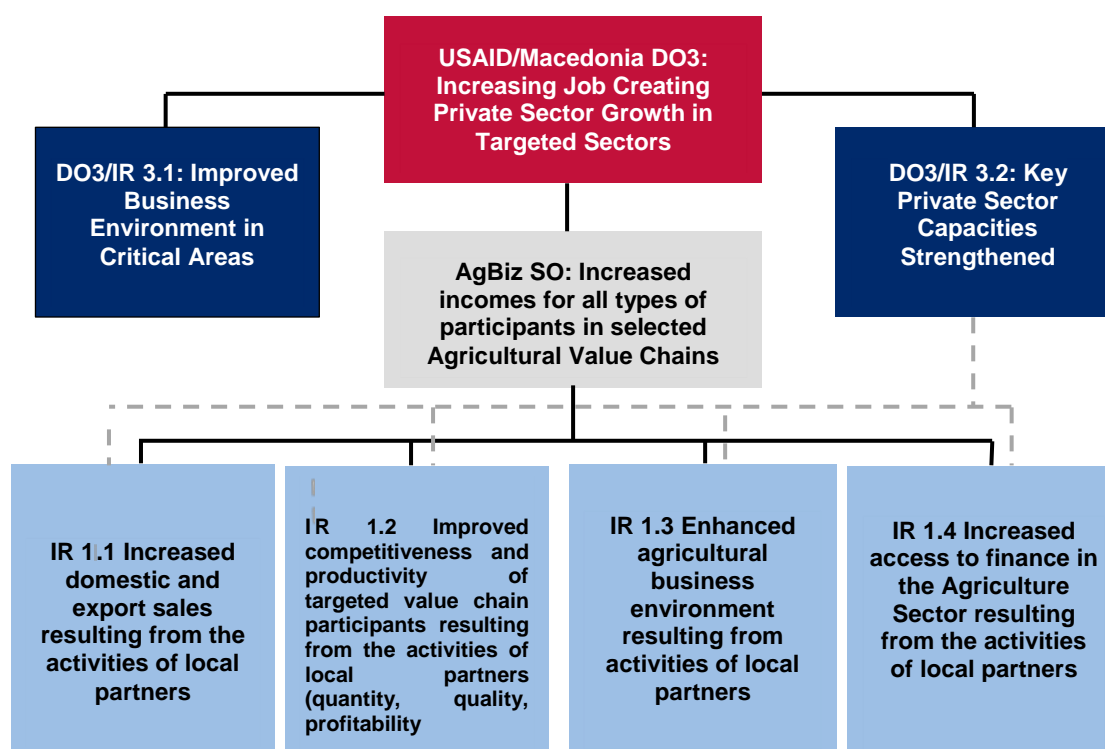
The original PMP submitted as part of our AgBiz Extension Technical Proposal was approved by USAID in June, 2011. This version encompassed full details on the indicators at all levels within the Results Framework, as well as methods for data collection, analysis and reporting (Appendix 1: Performance Indicator Reference Sheet (PIRS)). Ongoing improvements to the system are being made throughout the life of the Program (LoP) to respond to new needs. In parallel, Lead Facilitators' personnel are continuously provided with on the job training on monitoring and evaluation system to ensure that information is collected and reported in a timely and efficient manner (Appendix 2: Monitoring and Evaluation Tools and Forms).

The overall objective of AgBiz Extension is “Increased Incomes for all types of participants in selected agricultural value chains”, and in doing so contribute to the USAID/Macedonia Development Objective (DO 3) of “Increasing Job Creating Private Sector Growth in Targeted Sectors”. To achieve the above goals and objectives the Task Order is divided into four major components or Intermediate Results (IR):

- IR 1.1 Increased domestic and export sales resulting from the activities of local partners;
- IR 1.2 Improved competitiveness and productivity of targeted value chain participants resulting from the activities of local partners (quantity, quality, profitability);
- IR 1.3 Enhanced agricultural business environment resulting from activities of local partners;
- IR 1.4 Increased access to finance in the agriculture sector resulting from the activities of local partners.

A consolidated Results Framework for AgBiz and its position within the Mission's Result Framework is provided in Figure 1 below.

**FIGURE I. CONSOLIDATED RESULTS FRAMEWORK**



With concurrence provided by USAID, the AgBiz team has developed a set of performance indicators and targets that measure project performance and progress at various levels – project objectives are translated into a set of results for which indicators are identified and targets are set. The AgBiz PMP measures data at three levels: sub-objective level, Intermediate Result level and activity level, as described below:

- **Sub-Objective-level** results are established to assess the impact at the macro level, to correspond to USAID/Macedonia’s Strategic Objective level indicators and to evaluate overall performance at the program’s mid-point and end;
- **IR-level** results are established to measure performance of the four components: Domestic and Export Sales, Improved Competitiveness and Productivity, Agricultural Business Environment and Access to Finance through indicators under each IR; and
- **Activity-level** outputs, project inputs, and outreach to value chain participants.

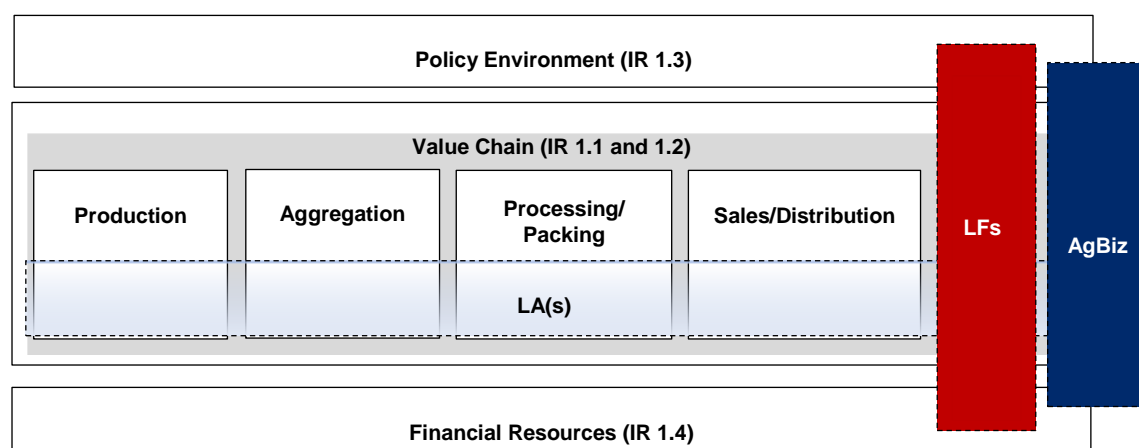
This PMP also employs a participatory approach; disaggregates information by gender, where appropriate, to examine the impact of AgBiz activities on women; and employs systematic data quality assessment procedures to ensure data validity, integrity, precision, reliability, and timeliness to enhance program effectiveness.

### 1.3 VALUE CHAINS AND PERFORMANCE MONITORING

For the purpose of M&E we recognize four distinct levels of the VC:

- **Production** – farmers and business farms that produce the raw materials;
- **Aggregation** – the accumulation of product with first level value addition through grading and sorting, short-term cold or warehouse storage, packing for bulk transport, etc. This may include Producer Organizations or their equivalent, traders/dealers or transporters;
- **Processing** – the level where most value addition is achieved through additional grading and selection, washing and packaging, processing of raw materials into a higher-value product, etc.;
- **Marketing/Sales/Distribution** – the final level (for our purposes, since the outlets and onward movement of product is out of our manageable interest) in which the product is sold either wholesale or retail (supermarkets may be included).

**FIGURE 2. SIMPLIFIED SCHEMA FOR VALUE CHAINS AND RELATIONSHIPS**





## 2.0 PMP IMPLEMENTATION

In accordance with Automated Directive System (ADS) 203.3.3.1, AgBiz PMP identifies baseline performance levels and targets to be achieved over the life of the Program, the source and quality of data and responsibilities for collection and analysis of data. Specifically, this PMP has eight elements:

- Performance indicators;
- Indicator baseline;
- Specification of data source and method of collection;
- Data collection and management system;
- Data quality assessment procedures;
- Indicator reporting schedule;
- Monitoring and evaluating progress; and
- Training implementing partners

### 2.1 PERFORMANCE INDICATORS

At the heart of the performance monitoring system are performance indicators, which define the data collected to measure progress and which enable actual results achieved over time to be compared with planned results. Thus, performance indicators are an indispensable management tool for making performance-based decisions regarding the AgBiz Program.

We have employed performance indicators that will measure progress toward each result of our Results Framework. Specifically, AgBiz aims to achieve results that move from outputs to outcomes which progress towards achieving Intermediate Results. The performance indicators under each IR will provide cumulative results from AgBiz activities and implementation of the Integrated Supply Chain concept that are undertaken in accordance with the AgBiz Annual Work Plan.

In December 2011, due to the Agency's updated monitoring and evaluation policy, the Indicator "Number of firms receiving USG supported assistance to improve their management" was archived and the Indicator "Number of private sector firms that have improved management practices as a result of USG assistance" was introduced instead and reported by USAID/Macedonia through annual Operational Plans and Performance Reports.

### 2.2 INDICATOR BASELINE

As the indicators measure new or additional impact due to AgBiz activities, the baseline value for most of the indicators is assigned as zero (as presented in Table 1 below) and benefits will be accruing as activities are being implemented.

Five of the indicators are either absolute values or percentage increases, and thus require historical data from the assisted Lead Actors: trader, dealer and processor customers, such as previous sales collected at farm-level; previous number of small-scale producers/farmers from whom raw material is purchased (to address strengthening linkages among VC participants by making formal delivery contracts), and previous volumes and values of goods sold into domestic, regional and international markets (to address the indicators related to increases in sales into those markets).

The baseline data was collected by the FF&V and PV Value Chain Lead Facilitators during the process of developing their proposals via utilization of a survey document (Appendix 2). To measure the overall impact and benefit of the activities that will be implemented during the AgBiz Extension implementation, (and following the "before and after" principle), the Lead Actors that were selected, following specific criteria, provided data on their companies' performance for 2010. The obtained data was then processed, compiled and integrated into the AgBiz baseline. Financial data is collected in Macedonian denars (MKD)

and for reporting purposes will be converted into US dollar amounts based on the National Bank of Macedonia's annual average exchange rate (presently MKD 45/1 US\$).

**TABLE 1. AGBIZ PERFORMANCE INDICATORS AND BASELINE CY 2010**

Overall Objective: Increased incomes for all types of participants in selected agricultural value chains			
Indicator Number	Type/Period of Reporting	Indicator Title	BASELINE CY 2010
<b>Project-level Indicators</b>			
1.	Impact/Calendar Annual	Value of incremental sales (collected at farm- level) attributed to USG assistance (in US Dollar)	\$16,051,035
2.	Impact/Calendar Annual	Percent change in value of total sales of targeted agricultural commodities	N/A
<b>IR 1.1 Increased domestic and export sales resulting from the activities of local partners</b>			
1.1.1	Outcome/Calendar Annual	Value of sales of targeted agricultural commodities as a result of USG assistance	\$33,257,142
1.1.1 a	Outcome/Calendar Annual	Value of sales to domestic market	\$8,690,182
1.1.1 b	Outcome/Calendar Annual	Value of sales to domestic market(planting material)	\$139,553
1.1.1 c	Outcome/Calendar Annual	Value of sales to the regional market	\$11,933,675
1.1.1 d	Outcome/Calendar Annual	Value of sales to international market	\$12,493,732
1.1.2	Outcome/Calendar Annual	Volume of sales of targeted agricultural commodities as a result of USG assistance (in MT)	36,167
1.1.2 a	Outcome/Calendar Annual	Volume of sales to domestic market (in MT)	11,230
1.1.2 b	Outcome/Calendar Annual	Volume of sales to domestic market (in pieces of planting material)	64,080
1.1.2 c	Outcome/Calendar Annual	Volume of sales to the regional market (in MT)	13,110
1.1.2 d	Outcome/Calendar Annual	Volume of sales to international market (in MT)	11,827
<b>Output Level Indicators</b>			
1.1.1.1	Output/Quarter	Number of new varieties and products from the supported VCs developed	0
1.1.1.2	Output/Calendar Annual	Number of new exporters and new participants in the supported value chains	0
1.1.1.3	Output/Quarter	Number of export capacity enhancement activities for InvestMacedonia	0
<b>IR 1.2 Improved competitiveness and productivity of targeted value chain participants resulting from the activities of local partners</b>			
1.2.1	Outcome/Quarter	Number of private sector firms that have improved management practices as a result of USG assistance*	0
1.2.2	Outcome/Quarter	Number of new technologies or management practices introduced	0
<b>Output Level Indicators</b>			
1.2.1.1	Output/Calendar Annual	Number of formal delivery contracts made by supported VC participants	738
1.2.1.2	Output/Quarter	Total number of individuals who have received USG supported short-term agricultural training	0
1.2.1.2a	Output/Quarter	Number of male individuals who have received USG supported short-term agricultural training	0
1.2.1.2b	Output/Quarter	Number of female individuals who have received USG supported short-term agricultural training	0
1.2.1.3	Output/Quarter	Number of capacity-building service providers receiving USG assistance	0
<b>IR 1.3 Strengthened Strategic Planning and Policy Making of GoM and Private Sector Partners</b>			
1.3.1	Outcome/Quarter	Number of policy reforms / regulations / administrative procedures drafted and presented for public / stakeholder consultation as a result of USG assistance	0
<b>Output Level Indicators</b>			
1.3.1.1	Output/Quarter	Number of strategies, plans and assessments for enhancing the competitiveness of the AgBiz-supported value chains developed	0
1.3.1.1a	Output/Quarter	Number of policy reform needs identified	0
1.3.1.2	Output/Quarter	Number of Sector Export Promotion Strategies developed	0
1.3.1.3	Output/Quarter	Number of advocacy capacity building activities implemented	0
1.3.1.4	Output/Quarter	Number of VC entities who have received advocacy capacity building training	0
1.3.1.5	Output/Quarter	Number of individuals who have received advocacy capacity building training	0
<b>IR 1.4 Increased Access to Finance in the Agriculture Sector Resulting from the Activities of Local Partners</b>			
1.4.1	Outcome/Quarter	Value of loans facilitated from non-DCA and DCA-supported finance institutions (in 000 USD)	0
<b>Output Level Indicators</b>			
1.4.1.1	Output/Quarter	Number of SMEs receiving USG assistance to access bank loans or private equity**	0
1.4.1.2	Output/Quarter	Value of customer financing need identified (in 000 USD)	0
1.4.1.3	Output/Quarter	Value of value chain participants investment stimulated (in 000 USD)	0

\* Standard Indicator 4.6.2-9 under USAID FA, Element 4.6.2 Private Sector Productive Capacity

## 2.3 DATA SOURCE AND METHOD OF COLLECTION

The source and method of data collection are noted in the Performance Indicator Reference Sheets (PIRS) for each indicator (Appendix 1). As described in the PIRS, the AgBiz team works in close coordination with with LFs to ensure that the data are timely by gathering data upon completion of each



Activity and on a quarterly/annual basis. Further, AgBiz is instituting an electronic and paper-based information management system to monitor program activities; and computer-based project management tools will be used to effectively track program activity and to monitor progress. Finally, data collection methods are consistent and comparable over time, with any changes to be documented in the AgBiz PMP. To do this, the team has:

- Developed appropriate forms to collect data (Appendix 2);
- Trained selected Lead Facilitators' teams who are involved in data collection, analyzing and results reporting;
- Developed a plan for collating and storing data and all forms; and
- Developed a plan for conducting overall data quality assessment on a mid-yearly basis.

## **2.4 DATA COLLECTION FREQUENCY AND MANAGEMENT**

The data collection process is an ongoing effort, as numerous sources of data are used to gather the information needed to provide AgBiz management and the USAID Mission with high quality and reliable data on Program impact.

Data on impact indicators is collected on quarterly basis and verified and reported on an annual basis, whereas data on output indicators is being reported quarterly. That is, impact data will be collected in January, April, July and October of each year, its quality verified at the beginning of March (when LAs' official financial statements submitted to Public Revenue Office become available) and will be reported in the FY'12 and FY'13 Second Quarterly Reports. On the other hand, the output indicators are being reported on quarterly basis starting with the AgBiz Extension FY'12 First Quarterly Report.

The M&E/Reporting Manager reporting to the Chief of Party (CoP) and Deputy Chief of Party (DCoP) Finance, Administration, Human Resources (HR) & Compliance is responsible for managing data collection for the AgBiz Program. The LFs (Value Chains, Advocacy & Strengthening Private-Public Dialogue, Enhanced Access to Finance, and Developing Sector Export Marketing Plans for FF&V and PV) are responsible for incorporating AgBiz indicators into activity planning, implementation and reporting.

The M&E/Reporting Manager will continue to work closely with LFs and the respective AgBiz Program staff, DCoP Public Sector Liaison & Access to Finance and Private Sector Development Specialist (PSDS) to collect monitoring data in accordance with the data collection schedule. The AgBiz team will also be responsible for conducting the annual data quality assessment.

## **2.5 DATA QUALITY ASSESSMENT PROCEDURES**

A number of data quality assessment procedures are implemented to ensure that the data is of sufficient quality to measure the effectiveness in achieving the Overall Objective. This will include:

- Visiting field sites to assess whether reports and inputs reflect what occurs on the field;
- Reviewing data to ensure that what is being reported is accurate, including regular meetings with LFs and LAs to gain an appreciation of how accurate the data are;
- Developing standardized data collection and analysis procedures, including procedures to reduce error; and
- Conducting an annual data quality assessment and verification audit.

Both the LFs' designated M&E person and the AgBiz M&E/Reporting Manager have the primary responsibility for coordinating, assisting in collection, and analyzing the project performance data on quarterly and annual basis. The actual performance data is being compared with both targeted performance and past performance. The objective of the analysis are to draw conclusions, recommendations and lessons learned that can be used to improve performance and as a basis for planning, decision-making and the promotion of learning within the Program. The primary data presentation methods used in quarterly reports is the Performance Indicator Table presenting quantitative achievements, and additional qualitative information. The data presentation formats used includes graphs and charts where appropriate.

## 2.6 INDICATOR REPORTING SCHEDULE

AgBiz reports to USAID on indicator achievements against the targets outlined in Table 2 under Section 3.0 on a quarterly basis. The Performance Monitoring and Evaluation section in each Quarterly Report includes:

- Performance indicator table that details:
  - Past performance;
  - Results achieved during the Quarter (for selected Indicators that are reported on Fiscal Year (FY) basis);
  - Actual cumulative results achieved “to Date”;
  - Target values to be achieved over the selected (FY)/Calendar Year (CY);
  - Performance (in percentage) measuring the progress towards achieving target set for selected FY/CY; and
- Assessment of why performance targets were or were not met, with suggestions for corrective action, if necessary.

The Performance Indicator Table presented in each Quarterly Report also presents the indicators that are reported on calendar year basis. Given that the Lead Actors (as the source for AgBiz impact indicators) do not have available viable historical quarterly data, their performance on the selected indicators is reported on calendar year basis. The incremental sales collected at farm-level, increases/decreases in sales to selected markets, number of the new exporters/participants in the supported VCs and number of formal delivery contracts in Calendar Years 2011 and 2012 will be calculated and compared to the base year (CY 2010). We have provided these annual values and percentage increase/decrease data in the Second Quarter FY ‘12 Report in April 2012 and the results anticipated to be achieved in CY 2012 will be reported in the Second Quarter FY ‘13 Report in April 2013.

In addition, AgBiz is providing a snapshot of activity progress and accomplishments on a monthly basis to the COR. For this AgBiz is using the Monthly Report format that has sections on narratives pertaining to completed activities, summary of the progress of activities being implemented and plans and objectives for the next month.

## 2.7 MONITORING AND EVALUATION OF PROGRESS

The AgBiz team is tracking progress against all indicators, with a M&E/Reporting Manager administrating the process of designing appropriate monitoring mechanisms and supervising their implementation. On an annual basis, the team assesses the entire PMP and makes necessary changes to improve project implementation in subsequent project cycles. This includes:

- Reviewing assumptions underlying the Results Framework and indicators;
- Conducting technical review and analyses to evaluate the project in terms of its purpose, results, and impacts;
- Ensuring that progress being reported corresponds with and properly feeds into the Overall Objective;
- Assessing the likely reasons why performance targets are or are not being met;
- Recommending changes to the processes outlined in the PMP, in order to improve performance-based decision making.

In addition, the following methods and tools are used to track and monitor performance:

- Microsoft Excel databases and other tools are used to monitor indicators throughout the Program period;
- Data collection is standardized by employing the sets of forms and checklists for the LFs’ staff to periodically report on progress made. This is then organized and analyzed by the M&E/Reporting Manager using various software tools; and
- Quarterly and yearly findings are disseminated to USAID/Macedonia; the entire AgBiz team, including Lead Facilitators; and selected stakeholders.

The findings will be discussed by the Chief of Party and/or DCoPs with the COR, and instructions will be sent to improve planning, implementation, and monitoring practices in the field.

## **2.8 TRAIN LEAD FACILITATORS**

As accurate data is critical to make appropriate management decisions, AgBiz team will continue working with partners to:

- Communicate how important good quality data collection and reporting is to Program performance;
- Communicate and explain how the indicator performance data feeds into the goals and objectives of the project;
- Have LF's report progress using AgBiz indicators; and
- Develop their own performance monitoring and evaluation capacity.

## **2.9 CONCLUSION**

AgBiz has selected the results and indicators presented in this PMP in order to:

- 1) Collect information that will feed into the USAID/Macedonia's PMP and RF;
- 2) Document progress in achieving program goals and objectives as presented in the RF;
- 3) Use the PMP as a tool to support effective program management; and
- 4) Ensure that this will contribute to building an information system that will be useful to VC participants after AgBiz is over.

## 3.0 NEW PROJECTIONS FOR FY'13 AND LOP

During the first year of the Two-Year Cost Extension, AgBiz and its subcontracted Lead Facilitators successfully implemented comprehensive activity packages aimed to increase incomes for all participants in the processed vegetables and fresh fruits and vegetables value chains in Macedonia by increasing sales (domestic and exports), improving productivity, enhancing the agricultural business environment, and increasing access to finance.

### 3.1 OVERVIEW OF THE CY2011 AND FY2012 RESULTS

Table 2 below lists the set of output and result oriented performance indicators. Both projected and actual results achieved in 2011 that are reported on Calendar Year basis are presented in the first two columns. Indicators that are reported on Fiscal Quarterly basis FY'12 targets and FY'12 actual results as well as performance achieved are presented in the following columns.

TABLE 2. CY'11 AND FY'12 ACHIEVEMENTS TO DATE						
		PERFORMANCE INDICATORS REPORTED ON CY BASIS		PERFORMANCE INDICATORS REPORTED ON FY BASIS		
	Performance Indicator	CY'11 (Jan 1-Dec 31, 2011) TARGETS	CY'11 (Jan 1-Dec 31, 2011) ACTUAL RESULTS	FY'12 (Oct 1, 2011-Sept 30, 2012) TARGETS	FY'12 (Oct 1, 2011-Sept 30, 2012) ACTUAL RESULTS	PERFORMANCE (in %)
<b>Overall Objective: Increased incomes for all types of participants in selected agricultural value chains</b>						
Indicator Number	Indicator Title					
Indicator 1.	Value of incremental sales (collected at farm- level) attributed to USG assistance (in US Dollar)	\$1.160.518	\$1.221.754	N/A	N/A	105%
Indicator 2.	Percent change in value of total sales of targeted agricultural commodities	7%	7%	N/A	N/A	100%
<b>IR 1.1 Increased domestic and export sales resulting from the activities of local partners</b>						
Indicator 1.1.1	Value of sales of targeted agricultural commodities as a result of USG assistance (in US Dollar)	\$35.643.217	\$35.688.747	N/A	N/A	100%
Indicator 1.1.2	Volume of sales of targeted agricultural commodities as a result of USG assistance (in MT)	39.717	39.413	N/A	N/A	99%
<b>Output Level Indicators</b>						
Indicator 1.1.1.1	Number of new varieties and products from the supported VCs developed	N/A	N/A	16	27	169%
Indicator 1.1.1.2	Number of new exporters and new participants in the supported value chains	206	276	N/A	N/A	134%
Indicator 1.1.1.3	Number of export capacity enhancement activities for	N/A	N/A	10	8	80%

TABLE 2. CY'11 AND FY'12 ACHIEVEMENTS TO DATE						
		PERFORMANCE INDICATORS REPORTED ON CY BASIS		PERFORMANCE INDICATORS REPORTED ON FY BASIS		
	Performance Indicator	CY'11 (Jan 1-Dec 31, 2011) TARGETS	CY'11 (Jan 1-Dec 31, 2011) ACTUAL RESULTS	FY'12 (Oct 1, 2011-Sept 30, 2012) TARGETS	FY'12 (Oct 1, 2011-Sept 30, 2012) ACTUAL RESULTS	PERFORMANCE (in %)
	<b>Invest Macedonia</b>					
<b>IR 1.2</b>	<b>Improved competitiveness and productivity of targeted value chain participants resulting from the activities of local partners</b>					
Indicator 1.2.1	Number of private sector firms that have improved management practices as a result of USG assistance	N/A	N/A	1.293	1.568	121%
Indicator 1.2.2	Number of new technologies or management practices introduced	N/A	N/A	41	80	195%
<b>Output Level Indicators</b>						
Indicator 1.2.1.1	Number of formal delivery contracts made by supported VC participants	249	433	N/A	N/A	174%
Indicator 1.2.1.2	Total number of individuals who have received USG supported short-term agricultural training	N/A	N/A	3.258	3.754	115%
Indicator 1.2.1.2 a	Number of male individuals who have received USG supported short-term agricultural training	N/A	N/A	2.445	2.932	120%
Indicator 1.2.1.2 b	Number of female individuals who have received USG supported short-term agricultural training	N/A	N/A	813	822	101%
Indicator 1.2.1.3	Number of capacity-building service providers receiving USG assistance	N/A	N/A	55	95	173%
<b>IR 1.3</b>	<b>Strengthened strategic planning and policy making of GoM and private sector partners</b>					
Indicator 1.3.1	Number of policy reforms / regulations / administrative procedures drafted and presented for public / stakeholder consultation as a result of USG assistance	N/A	N/A	4	4	100%
<b>Output Level Indicators</b>						
Indicator 1.3.1.1	Number of strategies, plans and assessments for enhancing the competitiveness of the AgBiz-supported value chains developed	N/A	N/A	10	7	70%
Indicator 1.3.1.1 a	Number of policy reform needs identified	N/A	N/A	12	16	133%
Indicator 1.3.1.2	Number of Sector Export Promotion Strategies developed	N/A	N/A	2	In Progress	N/A
Indicator 1.3.1.3	Number of advocacy capacity building activities implemented	N/A	N/A	9	9	100%
Indicator 1.3.1.4	Number of VC entities who have received advocacy capacity building training	N/A	N/A	34	36	106%
Indicator 1.3.1.5	Number of individuals who have received advocacy capacity building training	N/A	N/A	245	256	104%
<b>IR 1.4</b>	<b>Increased access to finance in the agriculture sector resulting from the activities of local partners</b>					
Indicator 1.4.1	Value of loans facilitated from non-DCA and DCA-supported finance institutions (in 000 USD)	N/A	N/A	4.000	4.456,1	111%
<b>Output Level Indicators</b>						
Indicator 1.4.1.1	Number of MSMEs receiving USG assistance to access bank loans or private equity	N/A	N/A	20	22	110%

TABLE 2. CY'11 AND FY'12 ACHIEVEMENTS TO DATE						
		PERFORMANCE INDICATORS REPORTED ON CY BASIS		PERFORMANCE INDICATORS REPORTED ON FY BASIS		
	Performance Indicator	CY'11 (Jan 1-Dec 31, 2011) TARGETS	CY'11 (Jan 1-Dec 31, 2011) ACTUAL RESULTS	FY'12 (Oct 1, 2011-Sept 30, 2012) TARGETS	FY'12 (Oct 1, 2011-Sept 30, 2012) ACTUAL RESULTS	PERFORMANCE (in %)
<b>Indicator 1.4.1.2</b>	<b>Value of customer financing need identified (in 000 USD)</b>	N/A	N/A	925	4.090	442%
<b>Indicator 1.4.1.3</b>	<b>Value of value chain participants investment stimulated (in 000 USD)</b>	N/A	N/A	1.537	1.798	117%

At the end of FY'12 AgBiz and selected LFs performed well, meeting or surpassing performance targets on 91 percent of the 23 performance indicators employed to measure progress toward each result of our Results Framework. As can be noted by the Performance column, 11 indicators (or 48 percent) are On Target, 10 Indicators (or 43 percent) are Above Target (exceeding targets for more than 10 percent), while 2 Indicators (9 percent) are Below Target with CY'11/FY'12 projected performance results.

The target for the indicator “Number of new varieties and products from the supported VCs developed” is overachieved by developing eleven more varieties and products. The set of Activities planned to increase the diversification of fresh and processed products emerged into great interest among the targeted beneficiaries to introduce new products to expand product portfolio as well as to substitute some imported products. More specifically, there is growing interest by the PV VC members particularly for production of frozen vegetables and sauces. According to feasibility studies, both HO-RE-CA and retail segments are attractive to domestic processing companies and break even analysis showed very promising market opportunities for domestic producers. Studies showed growing demand for frozen vegetable products on international markets, particularly in the EU, while the canning component displayed fairly moderate increase. Hence, a new possibility for increased exports and import substitution proved viable and justified investments in new products. At the primary production level, the qualitative and quantitative analyses of the pepper varieties that were tested showed a great potential for increased yields and quality of raw materials (peppers) that would be used by the processing companies. In addition, table grapes and apple producers have shown great interest for developing new varieties suitable for long term warehousing.

The targets on both indicators “Number of new exporters and new participants in the supported Value Chain” and “Number of formal delivery contracts made” are also overachieved. It is due to the fact that LFs in their projections did not included raw material contracts with farmers that were signed just before the start of the season or at the buyout. In addition, few of the LAs that have their own production of fresh F&V experienced decrease in yield during the reporting period. In order to meet the market demand and fulfill the orders obligated to foreign importers, LAs purchased additional quantities from other small-scale producers. Formal delivery contracts were made with the newly integrated producers, thus over achieving both the anticipated number of contracts and number of participants in the supported VCs. In addition, due to the emerged integration of these small-scale producers (considered as micro entrepreneurs that have improved their financial management and realized sales), the target for the indicator “Number of private sector firms that have improved management practices” is exceeded.

The projected “Number of new technologies and management practices introduced” has been significantly overachieved due to the VCs’ participation at several most relevant trade fairs, as well as study tours organized to potential markets in EU, USA and Australia. Beside the participants’ exposure to agriculture-related technologies and innovations, they were also introduced to a comprehensive set of financial management, strategic planning and marketing practices.

Recognizing AgBiz and LFs credibility and widespread benefits from the realized activities advanced considerable interest of the farming community, LAs, and local BSPs to participate in the program activities. High level of commitment of project partners to use the available assistance to maximize the effects from the activities resulted in over exceeding the target for the Indicator “Number of individuals who have received USG supported short-term agricultural training”. In order to secure higher efficiency



and sustainability of services, AgBiz encouraged LFs in the implementation of value chain upgrading activities, particularly in areas that go beyond their core capacity to include local BSPs. As a result the activities that were implemented in FY'12 encompassed various types of assistance and some segments were carried out by local BSPs including individual consultants, representatives of FFRM, the local extension Agency for support of agriculture and other private extension providers. Hence, the result achieved for the indicator “Number of capacity-building service providers receiving USG assistance” was higher than initially projected.

When planning the activity on PDO/PGI registration under the Special Opportunity Fund, MAFWE overlooked the availability of selected products and production entities needed in the process, hence the activity was slightly postponed. Consequently the target for the indicator “Number of strategies, plans and assessments for enhancing the competitiveness of the AgBiz-supported value chains developed” is only 70% achieved at the end of FY '12. However, the planned assessments will be finalized and delivered in early October 2012 (FY'13). The same percentage goes for achieving the indicator “Number of export capacity enhancement activities for Invest Macedonia”. Unfortunately, because of insufficient internal capacity of IM and postponed program implementation, two activities on (1) Proper aftercare for the most prospects FDI leads in Agriculture identified by IM and (2) Development of IM Export Newsletter to be published online on a quarterly basis were not implemented.

### 3.2 REVIEWED INDICATOR TARGETS FOR FY'13 AND LOP

Based on successful implementation of the contracts and effective realization of specified deliverables for FY'12, AgBiz extended the subcontracts with the previously subcontracted LFs for the period of 1<sup>st</sup> October 2012 – 15<sup>th</sup> May 2013 for managing the implementation of AgBiz work in the selected components. Each of the LF proposals included a comprehensive set of competitiveness enhancement Activities and targets were set accordingly.

Table 3 below reflects the changes that affected mostly the LoP targets that were set at the beginning of the AgBiz Two-year Cost-extension. Initial LoP projection was made on the basis of projected FY'12 targets. With this updated version of the PMP, we propose minor modifications to the LoP targets, occurred mostly due to the fact that in the current calculation of the LoP we are taking into account the Actual Results achieved in FY'12.

The first column presents the baseline data for the standard result-oriented Indicators (that are reported on a Calendar Year basis) collected from the both VCs' Lead Actors achieved in CY'10. It also presents the baseline (which is “0”) for the output Indicators that are reported on a quarterly basis that provides USAID with quantitative data on the results of implemented Activities.

The second and third columns present the results achieved at the end of CY '11 (December, 31), as well as the results achieved in FY '12. The following columns present the anticipated results to be achieved till the end of CY'12 (December, 31), as well as the results to be achieved in the remaining time of the Program implementation to be carried out in FY'13 (October, 2012 – June, 2013). The column entitled “LoP” for the output Indicators presents cumulative LoP Indicator Targets, while for the standard result-oriented indicators the numbers represent increased values projected to be achieved by the end of LoP. The last column shows the period and frequency of reporting (Calendar Annual or Fiscal Quarterly).

**TABLE 3. CY'11/FY'12 ACHIEVEMENTS TO DATE, CY'12/FY'13 AND LOP TARGETS**

			ACTUAL RESULTS		PROJECTED RESULTS			
	Performance Indicator	BASELINE CY'10 (Jan 1-Dec 31, 2010)	CY'11 (Jan 1-Dec 31, 2011) ACTUAL RESULTS	FY'12 (Oct 1, 2011 - Sep 30, 2012) ACTUAL RESULTS	CY'12 (Jan 1-Dec 31, 2012) TARGETS	FY'13 (Oct 1, 2012- Jun 18, 2013) TARGETS	LoP	PERIOD OF REPORTING
<b>Overall Objective: Increased incomes for all types of participants in selected agricultural value chains</b>								
<b>Indicator Number</b>	<b>Indicator Title</b>							
Indicator 1.	Value of incremental sales (collected at farm- level) attributed to USG assistance (in USD)	\$16.051.035	\$1.221.754	N/A	\$1.988.489	N/A	\$3.210.243	CA
Indicator 2.	Percent change in value of total sales of targeted agricultural commodities	N/A	7%	N/A	17%	N/A	12%	CA
<b>IR 1.1</b>	<b>Increased domestic and export sales resulting from the activities of local partners</b>							
Indicator 1.1.1	Value of sales of targeted agricultural commodities as a result of USG assistance (in USD)*	\$33.257.142	\$35.688.747	N/A	\$39.057.346	N/A	\$5.800.204	CA
Indicator 1.1.2	Volume of sales of targeted agricultural commodities as a result of USG assistance (in MT)**	36.167	39.413	N/A	44.580	N/A	8.413	CA
<b>Output Level Indicators</b>								
Indicator 1.1.1.1	Number of new varieties and products from the supported VCs developed	0	N/A	27	N/A	5	32	Q
Indicator 1.1.1.2	Number of new exporters and new participants in the supported value chains	0	276	N/A	122	N/A	398	CA
Indicator 1.1.1.3	Number of export capacity enhancement activities for Invest Macedonia	0	N/A	8	N/A	3	11	Q
<b>IR 1.2</b>	<b>Improved competitiveness and productivity of targeted value chain participants resulting from the activities of local partners</b>							
Indicator 1.2.1	Number of private sector firms that have improved management practices as a result of USG assistance***	0	N/A	1.568	N/A	325	1.893	Q
Indicator 1.2.2	Number of new technologies or management practices introduced	0	N/A	80	N/A	19	99	Q
<b>Output Level Indicators</b>								
Indicator 1.2.1.1	Number of formal delivery contracts made by supported VC participants****	738	433	N/A	329	N/A	762	CA
Indicator 1.2.1.2	Total number of individuals who have received USG supported short-term agricultural training	0	N/A	3.754	N/A	1.056	4.810	Q
Indicator 1.2.1.2 a	Number of male individuals who have received USG supported short-term agricultural training	0	N/A	2.932	N/A	809	3.741	Q
Indicator 1.2.1.2 b	Number of female individuals who have received USG supported short-term agricultural training	0	N/A	822	N/A	247	1.069	Q
Indicator 1.2.1.3	Number of capacity-building service providers receiving USG assistance	0	N/A	95	N/A	27	122	Q
<b>IR 1.3</b>	<b>Strengthened strategic planning and policy making of GoM and private sector partners</b>							
Indicator	Number of policy reforms / regulations / administrative	0	N/A	4	N/A	2	6	Q



**TABLE 3. CY'11/FY'12 ACHIEVEMENTS TO DATE, CY'12/FY'13 AND LOP TARGETS**

ACTUAL RESULTS					PROJECTED RESULTS			
	Performance Indicator	BASELINE CY'10 (Jan 1-Dec 31, 2010)	CY'11 (Jan 1-Dec 31, 2011) ACTUAL RESULTS	FY'12 (Oct 1, 2011 - Sep 30, 2012) ACTUAL RESULTS	CY'12 (Jan 1-Dec 31, 2012) TARGETS	FY'13 (Oct 1, 2012- Jun 18, 2013) TARGETS	LoP	PERIOD OF REPORTING
1.3.1	procedures drafted and presented for public / stakeholder consultation as a result of USG assistance							
<b>Output Level Indicators</b>								
Indicator 1.3.1.1	Number of strategies, plans and assessments for enhancing the competitiveness of the AgBiz-supported value chains developed	0	N/A	7	N/A	8	15	Q
Indicator 1.3.1.1a	Number of policy reform needs identified	0	N/A	16	N/A	6	22	Q
Indicator 1.3.1.2	Number of Sector Export Promotion Strategies developed	0	N/A	In Progress	N/A	2	2	Q
Indicator 1.3.1.3	Number of advocacy capacity building activities implemented	0	N/A	9	N/A	15	24	Q
Indicator 1.3.1.4	Number of VC entities who have received advocacy capacity building training	0	N/A	36	N/A	46	82	Q
Indicator 1.3.1.5	Number of individuals who have received advocacy capacity building training	0	N/A	256	N/A	217	473	Q
IR 1.4	<b>Increased access to finance in the agriculture sector resulting from the activities of local partners</b>							
Indicator 1.4.1	Value of loans facilitated from non-DCA and DCA-supported finance institutions (in 000 USD)	0	N/A	4.456,1	N/A	3.500	7.956	Q
<b>Output Level Indicators</b>								
Indicator 1.4.1.1	Number of MSMEs receiving USG assistance to access bank loans or private equity	0	N/A	22	N/A	18	40	Q
Indicator 1.4.1.2	Value of customer financing need identified (in 000 USD)	0	N/A	4.090	N/A	270	4.360	Q
Indicator 1.4.1.3	Value of value chain participants investment stimulated (in 000 USD)	0	N/A	1.798	N/A	372	2.170	Q

\* The LoP Value of sales is a sum of the increased/decreased values achieved in CY2011 compared to the baseline (CY2010: \$33,257,142) and the increased/decreased value to be achieved in CY2012 compared to sales realized in CY2011

\*\* The LoP Volume of sales is a sum of the increased/decreased volume achieved in CY2011 compared to the baseline (CY2010: 36,167MT) and the increased/decreased volume to be achieved in CY2012 compared to sales realized in CY2011

\*\*\* This Standard Indicator is for USAID/Macedonia reporting purposes through annual Operational Plans and Performance Reports under Program Element 4.6.2 Private Sector Productive Capacity

\*\*\*\* The LoP Number of formal delivery contracts is a sum of increased/decreased number of formal delivery contracts made in CY2011 compared to the baseline (CY2010: 738) and the increased/decreased number of contracts to be made in CY2012 compared to number of contracts made in CY2011



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